

SENATE BILL 4

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2003 Regular Session
3r0462

(PRE-FILED)

By: **Senator Greenip**

Requested: November 19, 2002

Introduced and read first time: January 8, 2003

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **District Court - Small Claim Actions**

3 FOR the purpose of altering the minimum amount in controversy in civil cases over
4 which the District Court of Maryland and the circuit courts have concurrent
5 jurisdiction; altering the maximum amount of a small claim action in the
6 District Court; altering the amount in controversy in a civil action in the District
7 Court in which formal pleadings are prohibited; altering the minimum amount
8 in controversy in civil cases in which appeals from the District Court are
9 required to be heard on the record; exempting from the Bar admission
10 requirement certain members or employees of limited liability companies in
11 certain small claim actions; providing for the application of this Act; and
12 generally relating to small claim actions in the District Court.

13 BY repealing and reenacting, with amendments,
14 Article - Courts and Judicial Proceedings
15 Section 4-402(d)(1)(i), 4-405, 6-403, and 12-401(f)
16 Annotated Code of Maryland
17 (2002 Replacement Volume)

18 BY repealing and reenacting, without amendments,
19 Article - Business Occupations and Professions
20 Section 10-206(a)
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2002 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Business Occupations and Professions
25 Section 10-206(b)
26 Annotated Code of Maryland
27 (2000 Replacement Volume and 2002 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Courts and Judicial Proceedings**

4 4-402.

5 (d) (1) (i) Except in a case under paragraph (2), (4), (5), or (6) of § 4-401 of
6 this subtitle, the plaintiff may elect to file suit in the District Court or in a trial court
7 of general jurisdiction, if the amount in controversy exceeds [\$2,500] \$5,000, exclusive
8 of prejudgment or postjudgment interest, costs, and attorney's fees if attorney's fees
9 are recoverable by law or contract.

10 4-405.

11 The District Court has exclusive jurisdiction over a small claim action, which,
12 for purposes of this section, means a civil action for money in which the amount
13 claimed does not exceed [\$2,500] \$5,000 exclusive of interest, costs, and attorney's
14 fees, if attorney's fees are recoverable by law or contract; and landlord tenant action
15 under §§ 8-401 and 8-402 of the Real Property Article of the Code, in which the
16 amount of rent claimed does not exceed [\$2,500] \$5,000 exclusive of interest and
17 costs.

18 6-403.

19 (a) In a civil action in the District Court, if the amount in controversy is
20 [\$1,000] \$2,500 or less, there shall be no formal pleadings.

21 (b) If the amount in controversy exceeds [\$1,000] \$2,500 the forms and
22 pleadings are as provided by Title 3, Chapter 300 of the Maryland Rules.

23 12-401.

24 (f) In a civil case in which the amount in controversy exceeds [\$2,500] \$5,000
25 exclusive of interest, costs, and attorney's fees if attorney's fees are recoverable by law
26 or contract, in any matter arising under § 4-401(7)(ii) of this article, and in any case
27 in which the parties so agree, an appeal shall be heard on the record made in the
28 District Court. In every other case, including a criminal case in which sentence has
29 been imposed or suspended following a plea of nolo contendere or guilty, and an
30 appeal in a municipal infraction or Code violation case, an appeal shall be tried de
31 novo.

32 **Article - Business Occupations and Professions**

33 10-206.

34 (a) Except as otherwise provided by law, before an individual may practice law
35 in the State, the individual shall:

36 (1) be admitted to the Bar; and

1 (2) meet any requirement that the Court of Appeals may set by rule.

2 (b) This section does not apply to:

3 (1) a person while representing a landlord in a summary ejectment
4 proceeding in the District Court of Maryland;

5 (2) a person while representing a tenant in a summary ejectment
6 proceeding in the District Court of Maryland if the person is:

7 (i) a law student practicing in a clinical law program at a law
8 school accredited by the American Bar Association with the in-court supervision of a
9 faculty member; or

10 (ii) employed by a nonprofit organization receiving grants from the
11 Maryland Legal Services Corporation and:

- 12 1. the person has training and experience;
- 13 2. the person is supervised by a lawyer; and
- 14 3. the supervising lawyer's appearance is entered in the
15 proceeding;

16 (3) an insurance company while defending an insured through staff
17 counsel;

18 (4) (i) an officer of a corporation, an employee designated by an officer
19 of a corporation, a partner in a business operated as a partnership or an employee
20 designated by a partner, A MEMBER OF A LIMITED LIABILITY COMPANY OR AN
21 EMPLOYEE DESIGNATED BY A MEMBER OF A LIMITED LIABILITY COMPANY, or an
22 employee designated by the owner of a business operated as a sole proprietorship
23 while the officer, partner, MEMBER, or employee is appearing on behalf of the
24 corporation, partnership, LIMITED LIABILITY COMPANY, or business in a civil action
25 in the District Court of Maryland if the action:

26 1. is based on a claim that does not exceed the amount set
27 under § 4-405 of the Courts Article for a small claim action; and

28 2. is not based on an assignment, to the corporation,
29 partnership, or business, of the claim of another;

30 (ii) an employee designated under subparagraph (i) of this
31 paragraph:

32 1. may not be assigned on a full-time basis to appear in the
33 District Court on behalf of the corporation, partnership, or business;

34 2. shall provide the court a power of attorney sworn to by the
35 employer that certifies that the designated employee is an authorized agent of the

